



SUMMIT CONSUMER RECEIVABLES FUND, L.P.

APRIL 25, 2013

1Q13 INVESTOR MEETING

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AGENDA



- Welcome—1 min (EG)
- What's New at Summit – 4 min (EG)
- Default Forecast Update – 10 min (EG)
- Audit Results, Financial Statement and Cash Forecast Review – 10 min (DH)
- Portfolio Performance Review – 10 min (PC)
- Term Loan Status and Investor Loan Proposal – 10 min (EG)
- Closing Remarks – 5 min (EG)
- Q&A – 10min

WHAT'S NEW AT SUMMIT



- The 30-day LIBOR rate has come down a bit more:
 - 0.198% as of yesterday (vs. 0.21% as of our last meeting on January 31, 2013)
- Loan defaults on our portfolio are now coming in below our projections
- Our 2012 audit was completed with no audit adjustments required
- We successfully closed two transactions with a managed account investor, which is good for both the GP and the Fund's investors

DEFAULT FORECAST UPDATE



- We increased our FCC Bulk reserve by \$900K in Nov-12 and by an additional \$515K as of Dec-12 as early 2013 defaults were coming in above our projection
- Defaults are now coming in below our projection and we should be well reserved through the remaining life of the assets
 - Through May-13, we expect to be \$43K ahead of projections
- We are now projecting defaults to decline over time at a more gradual and linear rate than before
 - Historically, portfolio defaults decline at a faster rate than linearly, but since that had not yet begun to happen in SCRF, we felt this adjustment was appropriate

DEFAULT FORECAST UPDATE, CONT.



- In total, we increased remaining SCRF Defaults from 2013 forward from \$662K to \$2.7M, or by ~\$2.1M

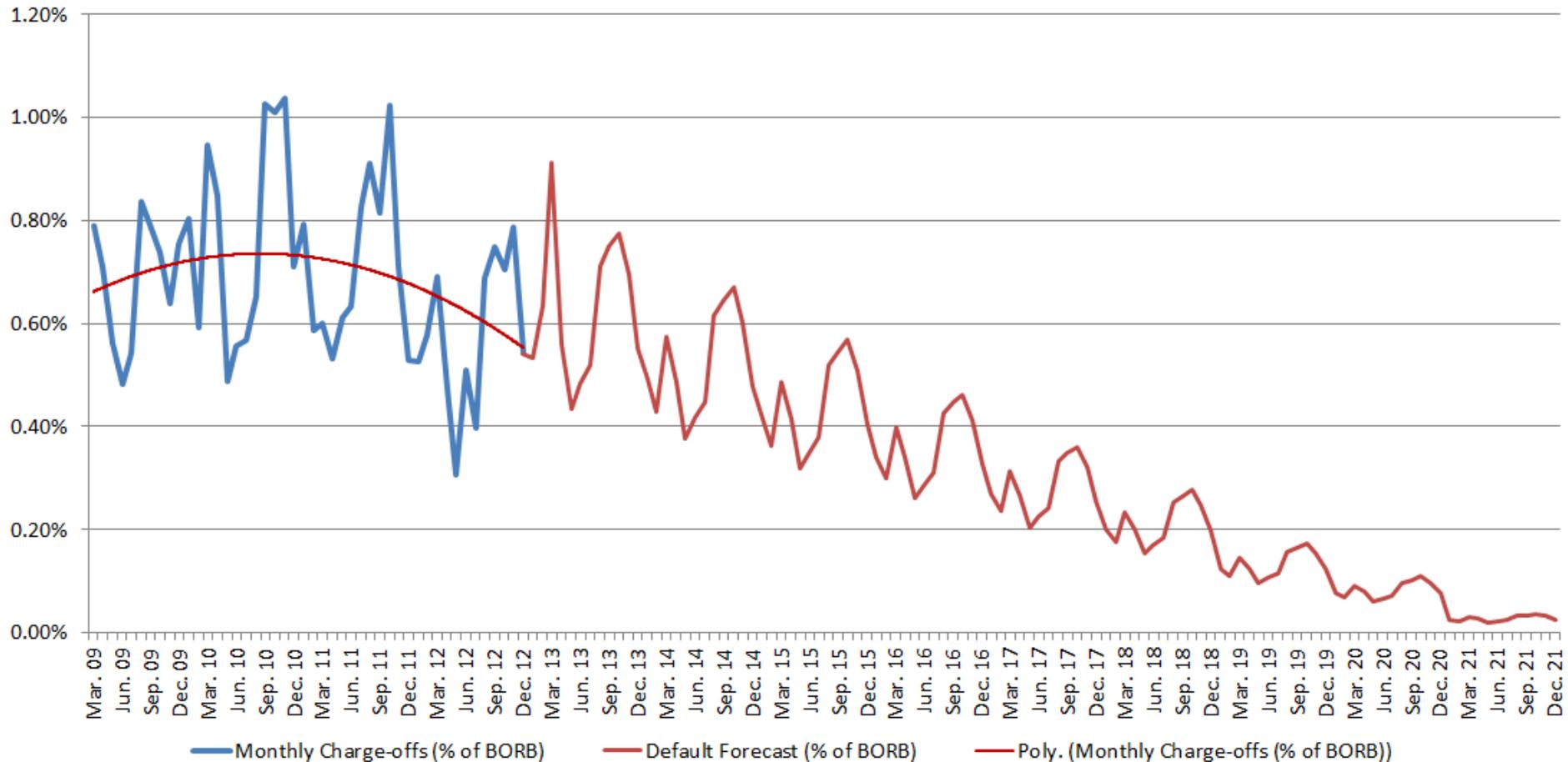
Historical and Projected Defaults (% of BORB*)		
	FCC Bulk	FCC Flow
LTD Defaults (Dec-12):	21.72%	12.04%
2009 ADR (% of BORB):	9.67%	5.46%
2010 ADR (% of BORB):	10.81%	6.70%
2011 ADR (% of BORB):	9.16%	8.31%
2012 ADR (% of BORB):	10.29%	5.21%
2013 ADR (% of BORB):	9.01%	5.01%
2014 ADR (% of BORB):	7.50%	3.99%
2015 ADR (% of BORB):	6.53%	3.09%
2016 ADR (% of BORB):	5.58%	2.31%
2017 ADR (% of BORB):	4.63%	1.64%

*BORB - Beginning Outstanding Receivable Balance

DEFAULT FORECAST UPDATE, CONT.



SCRF Default Forecast (% of BORB)



AUDIT RESULTS



- The 2012 independent financial audit is now complete and can be accessed on www.summit-alt-inv.com
 - User Name = saifunds, Password = Summit2013
- No audit adjustments were required
- However, due to actual 1st qtr 2013 defaults coming in \$175K higher than the November revised forecast, we proposed (and Plante Moran agreed to) adding \$515K to the loan loss reserve, which provides \$340K addtl reserve for future defaults.
 - Blackman Kallick merged into Plante Moran
- Schedule K-1s were distributed on April 4, 2013
 - Please let us know if you would like another copy

Summit Consumer Receivables Fund, L.P. and Affiliates

Consolidated Statement of Financial Position

	December 31, 2012	December 31, 2011
Assets		
Cash and cash equivalents	\$ 372,155	\$ 603,275
Purchased receivables - Net	17,679,367	26,071,700
Due from related party	5,175	5,869
Due from servicing companies	147,246	48,371
Other assets	95,355	239,438
	\$ 18,299,298	\$ 26,968,653
Total assets		
Liabilities and Partners' Capital		
Liabilities		
Term loan	\$ 5,797,944	\$ 12,873,838
Accrued and other current liabilities	84,029	106,069
	5,881,973	12,979,907
Total liabilities		
Partners' Capital		
	12,417,325	13,988,746
Total liabilities and partners' capital	\$ 18,299,298	\$ 26,968,653

Summit Consumer Receivables Fund, L.P. and Affiliates

Consolidated Statement of Operations

	Year Ended	
	December 31, 2012	December 31, 2011
Revenue		
Finance income	\$ 3,208,257	\$ 4,515,384
Gain on sale of purchased receivables	-	118,373
Total revenue	3,208,257	4,633,757
Expenses		
Interest expense	(535,433)	(1,036,080)
Bad debt expense	(2,126,244)	(818,567)
Servicing fees	(582,173)	(752,532)
Leased associates	(521,790)	(518,414)
Professional fees	(206,104)	(219,929)
Other expense	(336,403)	(322,113)
Total expenses	(4,308,147)	(3,667,635)
Net (Loss) Income	\$ (1,099,890)	\$ 966,122

Summit Consumer Receivables Fund, L.P. and Affiliates
Consolidated Balance Sheet
March 31, 2013



Assets

Cash	\$ 68,468
Restricted Cash	557,867
Receivables From Servicing Companies	56,434
Prepaid Expenses	40,005
Investment in Consumer Debt Portfolios	16,191,293
Investment in SSPE, LLC	0
Investment in SSPE FCC, LLC	0
Fixed Assets, Net	36,000
Other Assets	5,175
Total Assets	<u>\$ 16,955,242</u>

Liabilities & Partners' Capital

Liabilities

Accounts Payable & Accrued Expenses	\$ 68,415
Loans Payable	4,438,537
Total Liabilities	<u>\$ 4,506,952</u>

Partners' Capital

Partners' Contributions/Distributions	\$ 9,541,654
Retained Earnings	2,755,067
Current Year Earnings	151,568
Total Partners' Capital	<u>\$ 12,448,290</u>

Total Liabilities & Partners' Capital	<u>\$ 16,955,242</u>
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Summit Consumer Receivables Fund, L.P. and Affiliates
Consolidated Income Statement
March 31, 2013



Revenue

Investment in Ordinary Income	\$ 58,531
Investment Interest Income	392,103
Allowance for Credit Losses	0
Total Revenue	\$ 450,634

Expenses

Interest Expense	\$ 74,570
Office Expenses	42,750
Travel, Meal & Entertainment	0
Professional Fees	46,025
Payroll	135,721
Overhead Expense Allocation	0
Total Expenses	\$ 299,066

<u>Net Income</u>	\$ 151,568
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CASH FORECAST



- We continue to send all excess cashflow to Fortress
- January, 2014 is the estimated Fortress payoff date with a current loan balance of \$4.4M as of March, 2013
 - This will result in a need for \$2.0 – 2.5M of short-term financing
- We are currently paying an avg. of \$532K/month over the past 12 months towards the Term Loan
 - Cashflow will go directly towards paying redemptions once the loan is paid in full
- Estimated cash remaining after pay down of the loan: \$15M

PORTFOLIO REVIEW 1Q2013

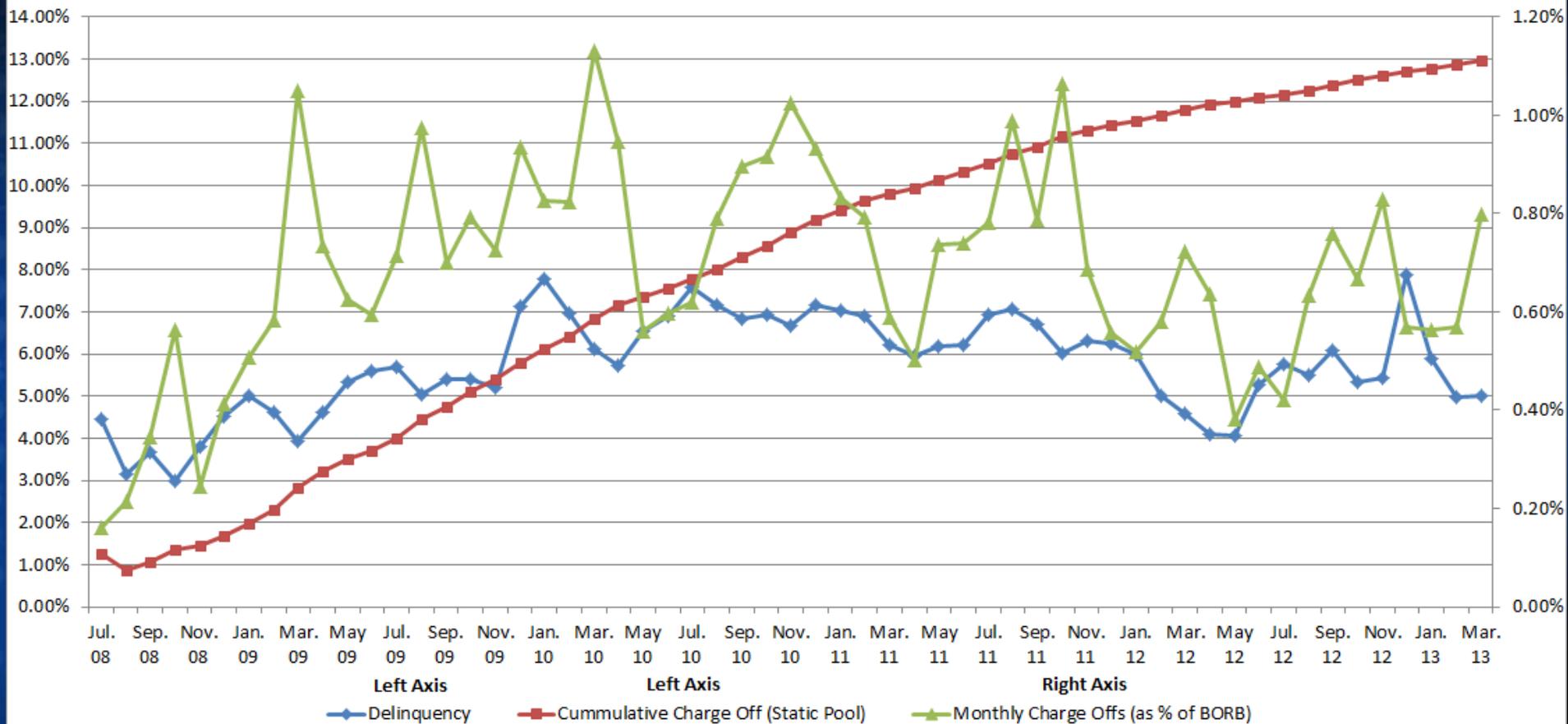


- Asset Performance Data presented as of 3/31/13
- 94.99% of fund assets are current on a principal balance basis
- There are 2,968 total individual consumer loans with a principal balance of \$17,248,871
- Cumulative delinquency of all fund assets on a static pool basis:
 - Cumulative delinquency at 30+ days past due is 5.01%
 - Change from Dec-12: -2.85% (from 7.86%)
- Cumulative default rate of all Fund assets on a static pool basis is 12.97%
 - 2013 YTD Annualized Default Rate: 8.00% (and about to decline)
 - 2012 Default Rate: 7.45%
 - Calculated as a % of Beginning Outstanding Receivable Balance (BORB)

PORTFOLIO REVIEW, CONT.



Total Portfolio - Delinquency and Default Rates



1Q2013 RECAP AND PROJECTED PERFORMANCE MOVING FORWARD



- 1Q Recap
 - Defaults trended up for the quarter
 - Delinquency is trending down
- 2Q Projected Performance
 - April and May projected defaults are substantially lower than Q1
 - Early indications and account reviews reflect a spike again in June
 - We are ahead of the revised forecast despite ups and downs
- 2013 Overall expectations
 - Expect to meet or exceed revised default forecast
 - Expect continued “peaks and valleys”
 - Potential risks in foreclosures and continued long-term unemployment

PORTFOLIO PERFORMANCE



- SCRF, L.P. consolidated return statistics through Mar-13:
 - 3.61% total return since inception
 - 0.58% annualized return since inception
 - 2012 return: -8.01% vs. 2011 return: 4.43%
 - 2013 YTD return: 0.65% (2.62% annualized), **but about to improve significantly due to overhead reductions**
- SCRF, L.P. non-side pocket return statistics through Mar-13:
 - 52.77% total return since inception
 - 7.21% annualized return since inception
 - 2012 return: -0.72% vs. 2011 return: 3.63%
 - 2013 YTD return: 0.35% (1.42% annualized), **but about to improve significantly due to overhead reductions**

FORTRESS PAYOFF



- Term Loan payoff due date is August 15, 2013
- Cash forecast shortfall of \$2.0 – 2.5M
- We contacted Fortress to secure an extension and they proposed the following Addendum:
 - Commit all excess cashflow towards the Loan (which we are already doing)
 - Agree to a sub-servicing fee of 2.25% (versus our current 1.50%) which would result in additional servicing costs of \$94K through the loan payoff and would reduce returns by approximately 0.62%
 - **We must respond to Fortress by April 30th**

INVESTOR LOAN PROPOSAL



- The option to sign a term loan addendum with Fortress gives us a certain, and livable, outcome
 - Avoids risk of Fortress selling our assets to satisfy the loan
- However, raising the money to pay off the loan would save us additional servicing fees and give us more leverage in negotiating servicing terms beyond the payoff of the loan
 - This could potentially save us up to \$300K in the long run
- Investors would earn a fixed rate of 5.75% on a highly secured \$2.0 - 2.5M loan with \$17M in collateral assets...virtually risk-free
- Expected “debt-free” date of Jan to Feb, 2014

CLOSING REMARKS



- Today we have the most good news we have had to report for years now—which is a nice change
- As always, we will continue to look for ways to maximize SCRF investor returns
- In a future meeting, we will focus on our options once the Fund's debt is repaid for alternative ways of managing redemptions, new investment opportunities, etc.
- If you have any suggestions for ways we can improve our communication with you, please let us know!

Q&A

